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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92053237
Party	Plaintiff Barnhardt Manufacturing Company
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

BARNHARDT MANUFACTURING)
COMPANY)

Petitioner,)

Cancellation No: 92053237

WILDWOOD GIN, INC.)

Registrant.)

PETITIONER'S REPLY BRIEF

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Introduction to Issues

Barnhardt's initial brief on the merits speaks for itself and conclusively and undoubtedly proves Barnhardt's priority rights in the ULTRA-CLEAN mark and the likelihood of confusion with Wildwood's ULTRACLEAN mark. However, Wildwood has made two claims in its brief that Barnhardt wishes to address here. Wildwood claims that Barnhardt did not specifically plead priority rights in the Cancellation Petition. This is incorrect and a plain reading of Barnhardt's Cancellation Petition readily reveals the specifically pled priority rights and likelihood of confusion. Wildwood also argues that Barnhardt's priority usage was merely a token usage. Wildwood's argument on this point has no merit. Barnhardt's priority usage was a bona fide use in commerce for a substantial amount of product, sold for a substantial amount of money.

LEGAL ARGUMENTS

A. Barnhardt's priority rights and in the mark ULTRA-CLEAN and likelihood of confusion were specifically pled in the Cancellation Petition.

Wildwood claims that Barnhardt did not specifically plead priority rights in its Cancellation Petition. Although Wildwood does also admit that priority rights were "alluded to throughout the proceeding in this matter." Barnhardt adamantly disagrees. In Barnhardt's Cancellation Petition in this matter, the enumerated statements following "As for grounds of this Petition, it is alleged:" specifically and clearly allege priority rights and likelihood of confusion.

Enumerated Statement 2 of the Cancellation Petition reads as follows: "Barnhardt established rights in and to the mark ULTRACLEAN through its continuous use on its cotton products in interstate commerce since March of 2006, over two years prior to May 9, 2008, the filing date upon which Wildwood Gin, Inc. ("Registrant") filed for "ULTRACLEAN" under then Application Serial Number 77/470,041. (Exhibit 2)."

Statement 3 reads as follows: “Barnhardt has used the ULTRACLEAN mark solely in connection with specially cleaned raw cotton since it began using the mark in March of 2006. (Exhibit 3).”

Statement 12 reads as follows: “Registrant’s continued use of Barnhardt’s ULTRACLEAN mark will handicap and damage the legitimate present and future activities of Barnhardt with regard to its ULTRACLEAN mark as evidenced by Barnhardt being denied a federal registration for its ULTRACLEAN mark *despite its seniority in terms of use of the mark on its cotton product.* (Exhibit 4).”(emphasis added).

These statements don’t just “allude” to priority rights. These statements specifically plead priority rights. The enumerated paragraphs 4 -12 focus on pleading the likelihood of confusion between the marks.

This entire proceeding has focused on Barnhardt’s priority rights and the likelihood of confusion, from the Petition to Cancel, to the discovery requests and responses, both the discovery and trial depositions by Barnhardt, Barnhardt’s Trial Brief on the merits, and even Wildwood’s Brief on the merits. Although Wildwood claims that priority rights were not specifically pled, it then spent nearly half of its brief arguing that Barnhardt did not have priority rights. The claims and allegations of priority rights and likelihood of confusion are not a surprise to Wildwood. On the contrary, this entire proceeding over the past year and a half has focused on priority rights and likelihood of confusion.

It would be a miscarriage of justice and a violation of Federal Rule of Civil Procedure 1, 8(a), and 15(b) as well as 37 C.F.R. 2.112(a) if priority rights and likelihood of confusion were not considered and decided in this proceeding. Even if there was a valid argument that priority rights were not specifically pled, this is precisely the type of situations where the pleadings

should be deemed to conform to the evidence and issues tried in this proceeding by the express or implied consent of the parties. *See Apple Barrel Productions, Inc. v. R.D. Beard*, 730 F.2d 384, 222 USPQ 956, 959 (5th Cir. 1984) (“Even if not raised by the pleadings, once issues are presented and argued without objection by opposing counsel, such issues are tried by the implicit consent of the parties and treated as if they had been raised in the pleadings, Fed. R. Civ. P. 15(b).; *Christopher Brooks v. Creative Arts by Calloway, LLC*, 93 USPQ2d 1823, FN7 (T.T.A.B. 2009) (although rights in a trade name were not specifically pled, the Board deemed the pleadings amended to conform to the evidence under F.R.C.P. 15(b)).

The Petition to Cancel in this proceeding clearly identifies and specifically pleads the issues and claims.

B. Barnhardt’s priority use of the ULTRA-CLEAN mark was a *bona fide* use in commerce.

After mentioning that priority rights weren’t specifically pled, Wildwood goes on to argue that Barnhardt’s priority rights are invalid because the priority use proven by Barnhardt is only a token use. Wildwood has asserted that even though Barnhardt provided clear evidence of several shipments of ULTRA-CLEAN products in 2006, that the shipments were only a token use. These proven shipments in 2006 were bona fide uses of the mark in the ordinary course of trade and were not made merely to reserve a right in the mark. *Section 45 of the Trademark Act, 15 U.S.C. § 1127*. (“The term ‘use in commerce’ means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purposes of this chapter, a mark shall be deemed to be in use in commerce (1) on goods when (A) it is placed in any manner on the goods or their contents or the displays associated therewith or on the tags or labels affixed thereto,... and (B) the goods are sold or transported in commerce.”).

The law is clear: prior ownership of a mark is established at the first actual use of a mark in a genuine commercial transaction. *Allrad Enters., Inc. v. Advanced Programming Resources, Inc.*, 146 F.3d 350, 358 (6th Cir. 1998). As long as there is genuine use of the mark in commerce, “ownership may be established even if the first uses are not extensive and do not result in deep market penetration or widespread recognition.” *Id.* at 358. See also *Blue Bell, Inc. v. Farah Mfg. Co.*, 508 F.2d 1260, 1265 (5th Cir. 1975) (“Such use need not have gained wide public recognition.”); *Kathreiner’s Malzkaffee Fabriken Mit Beschraenkter Haftung v. Pastor Kneipp Med. Co.*, 82 F. 321, 326 (7th Cir. 1897) (holding that rights in a mark to accrue, “it is not essential that its use has been long continued or that the article should be widely known or should have attained great reputation.”); *Lane Capital Management, Inc. v. Lane Capital Management, Inc.*, 15 F.Supp.2d 389, 397 (S.D.N.Y. 1998); *Bell v. Streetwise Records, Ltd.*, 640 F.Supp 575, 580 (D. Mass. 1986) (“ While it is not required that a product be an instant success the moment it hits the market, its usage must be consistent with a present plan of commercial exploitation.”). This rule is well-known and long-standing and to the extent that Wildwood cites a case to the contrary, that case conflicts with and departs from the traditional law. See 2 McCarthy Section 16:6 at 16-10 to 16-11.

In this case, Barnhardt provided the invoices it did to prove the priority rights dating back to 2006, years before Wildwood’s alleged first use. Specifically, Barnhardt produced three invoices dated December of 2006, that were for three shipments of approximately \$30,000 each of the ULTRA-CLEAN product.¹ The invoices are for substantial amounts and each one is only for ULTRA-CLEAN product and the ULTRA-CLEAN trademark is displayed prominently on the invoice. It is outrageous to believe that 90,000 pounds of ULTRA-CLEAN cotton product sold for approximately \$90,000 on three separate invoices and shipments could be considered a

¹ Produced to Wildwood as Bates No. 000024, 000025, and 00026 on April 8, 2011

token use. This is a considerable amount of product and a considerable dollar amount of product sold by any measure or standard.

Wildwood also makes much of the fact that Barnhardt's other produced invoices for the ULTRA-CLEAN product were dated in 2009.² However, Barnhardt produced the earlier invoices to show priority use before Wildwood and produced the later invoices to show that use of Barnhardt's ULTRA-CLEAN mark continued throughout the years. The invoices were meant as a sampling. Barnhardt is not required to produce every single invoice for the ULTRA-CLEAN product when the produced invoices clearly prove Barnhardt's priority and continued use. The Court of Appeals for the Federal Circuit has made it clear that "the governing statute does not speak of 'continuous use' but rather whether the mark or trade name has been '*previously used in the United States by another and not abandoned.*' 15 U.S.C. Section 1052(d)." *West Florida Seafood Inc. v. Jet Restaurants Inc.*, 31 F.3d 1122, 31 USPQ2d 1660, 1665 (Fed. Cir. 1994) (emphasis in original). In order to establish priority, Barnhart is only required to show prior use, not continuous use of its ULTRA-CLEAN mark. *Id.*

In his trial testimony deposition, Mr. Barnhardt testified that Barnhardt began using the mark ULTRA-CLEAN in March of 2006 and he supported his testimony with internal emails dated late 2005. *Barnhardt Dep.*, 15:14-25; 16:1-25; 17:1-4; *Exhibits 4-5*. Mr. Barnhardt also testified that use of the mark ULTRA-CLEAN had been continuous since the first use of March of 2006. *Barnhardt Dep.*, 19:6-14. Mr. Barnhardt's testimony is based on personal knowledge, is clear and convincing and it has not been contradicted. *See National Bank Book Co. v. Leather Crafted Products, Inc.*, 218 USPQ 826, 828 (T.T.A.B. 1993); *Liqwacon Corp. v. Browning-Ferris Industries, Inc.*, 203 USPQ 305, 316 (T.T.A.B. 1979) (oral testimony may be sufficient to

² Produced to Wildwood as Bates No. 000088, 000089, and 000090 on April 8, 2011. These 2009 invoices were also for substantial amounts of approximately \$5,000, \$35,000, and \$39,000.

establish both prior use and continuous use when the testimony is proffered by a witness with knowledge of the facts and the testimony is clear, convincing, consistent, and sufficiently circumstantial to convince the Board of its probative value); *GAF Corp. v. Anatox Analytical Services, Inc.*, 192 USPQ 576, 577 (T.T.A.B. 1976) (oral testimony may establish prior use when the testimony is clear, consistent, convincing and uncontradicted).

Barnhardt not only offered the convincing testimony of Lewis Barnhardt that the mark was in prior and continuous use, but also offered internal emails, invoices and examples of bale labels clearly marked ULTRA-CLEAN. *Barnhardt Dep., Exhibits 4-6*. Wildwood correctly states in its brief that the ULTRA-CLEAN bale labels produced were not the original bale labels printed in 2006. As for Barnhardt not producing bale labels printed in 2006, it would be utterly unreasonable to expect that Barnhardt would still have a label printed in 2006. When Barnhardt prints a bale label, it affixes the label to a cotton bale which is then shipped out to the customer. *Barnhardt Dep., 17:19-25; 18:1-25; 19:1-11; Exhibit 6*. Given the label usage, it would be ludicrous to expect Barnhardt to have kept a label specifically printed in 2006. Instead, they provided an example of a label (which incidentally is acceptable as a specimen for the USPTO) along with the testimony from Mr. Barnhardt that this is the same label that was used in March of 2006 and is still used today. *Barnhardt Dep., 19:9-11*.

Wildwood also claims that Barnhardt's use is a token use because the invoices produced were for sales to a company based in Israel. However, while the invoices produced were for the same customer who happens to be based outside the United States, Mr. Barnhardt testified in his testimony deposition that ULTRA-CLEAN has been and continues to be sold in the United States, Europe and Israel. *Barnhardt Dep., 21:18-25; 22:1*. Use in commerce for trademarks means a sale or transportation of the goods in the United States interstate commerce **or in**

commerce with foreign nations. *Section 45 of the Trademark Act of 1946, 15 U.S.C. Section 1127.* Commerce means all commerce which may lawfully be regulated by Congress. *Person's Co., Ltd. V. Christman*, 900 F.2d 1565, 14 USPQ2d 1477, 1479 (Fed. Cir. 1990); *Shelby v. Ford Motor Co.*, 43 USPQ2d 1692, 1694 (C.D. Cal. 1997) ("Section 45 makes clear that 'use... in the ordinary course of trade is synonymous with 'use in commerce'").

Even if Barnhardt made sales only to the Israeli company, the sales would constitute a bona fide use in commerce. Sales made to an entity located outside the United States are still considered bona fide use in commerce. *See Cerverceria Centroamericana v. Cerverceria India*, 892 F.2d 1021, 13 USPQ2d 1307, 1310 (Fed. Cir. 1989)("In cases involving products made from abroad, proof of nonuse of the trademark may require both proof of no importations into the United States and no domestic sales"); *7-11 Sales, Inc. v. Perma S.A.* 225 USPQ 170, 171 (T.T.A.B. 1984)(petitioner failed to show that respondent's marks were not used in commerce between the United States and a foreign country and therefore failed to show nonuse).

Further, even if Barnhardt only produced the 2006 dated invoices, it would be enough to prove prior use and priority rights in the ULTRA-CLEAN mark. However, Barnhardt corroborated the prior use date with internal emails and testimony from Mr. Barnhardt as well as later dated invoices. *See Sybarite Lifestyle Management, LLC v. Yvonne M. Materson and Shira-Michal Dina*, 2011 WL 2730934 (T.T.A.B. 2011) *4 ("Here, while opposer's invoices that predate applicant's....filing date are sufficient to prove opposer's prior use of the mark...., we nonetheless note that opposer submitted additional evidence that corroborates what the invoices demonstrate...").

The evidence in support of Barnhardt's legitimate use in commerce and priority rights in the ULTRA-CLEAN mark is overwhelming. Any argument that Barnhardt's usage was just a token usage is completely without merit.

Conclusion

Barnhardt has conclusively proven its priority rights in the ULTRA-CLEAN mark and the likelihood of confusion between Wildwood's ULTRACLEAN mark and Barnhardt's ULTRA-CLEAN mark. Barnhardt respectfully requests that the Board grant the Petition to Cancel in this proceeding.

This the 5th day of June, 2012

Respectfully submitted,

SHUMAKER, LOOP & KENDRICK, LLP

A handwritten signature in cursive script, appearing to read "Kathryn A. Gromlovits", written in dark ink.

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CERTIFICATE OF SERVICE

I hereby certify that a duplicate original of PETITIONER'S REPLY BRIEF was served upon the Registrant by delivering a copy thereof by email to the following attorney of record:

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This the 5th day of June, 2012.

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